

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re

CASEY R. INGELS,

Debtor.

Case No. 14-10421-MLB

JOHN S. PETERSON, as Bankruptcy Trustee,

Plaintiff,

Adversary No. 14-01387-MLB

vs.

CASEY R. INGELS,

Defendant.

DEFENDANT'S PRETRIAL STATEMENT

Defendant Casey R. Ingels ("Defendant" and/or "Ingels"), by and through counsel of record, J. Todd Tracy, Jamie J. McFarlane and The Tracy Law Group PLLC, presents Plaintiff John Peterson ("Plaintiff" and/or "Peterson"), his Pretrial Statement pursuant to Local

DEFENDANT'S PRETRIAL STATEMENT- 1

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1 Bankruptcy Rule 7016-1(b) and this Court's February 23, 2015 Amended Notice Of Trial
2
3 And Order Setting Deadlines and states as follows:¹
4

5
6 **I. JURISDICTION**
7

8 Plaintiff failed to file a Pretrial Statement; therefore, there are no jurisdictional issues
9
10 that Plaintiff presented for Defendant to object to or change. Any tardily filed Pretrial
11
12 Statement submitted by Plaintiff should be stricken.
13

14 Defendant adds the following statements regarding this Court's jurisdiction.
15

16 A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and
17
18 1334.
19

20 B. Venue is proper pursuant to 18 U.S.C. § 1409.
21

22 C. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
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24

25
26 **II. ADMITTED FACTS**
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28 Plaintiff failed to file a Pretrial Statement; therefore, there are no admitted facts that
29
30 Plaintiff presented which Defendant may object to or change. Any tardily filed Pretrial
31
32 Statement submitted by Plaintiff should be stricken.
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34 Defendant admits the following facts:
35

36 1. The Defendant filed a Chapter 7 bankruptcy petition on January 23, 2014.
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38 2. The Defendant amended his bankruptcy schedules and related documents on
39
40 January 24, 2014, and April 18, 2014.
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42
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47

¹ Counsel reserves the right to amend and/or add to this Pretrial Statement. Plaintiff's failure to comply with this Court's deadlines has made this caveat necessary.

1 3. On November 7, 2014, Defendant amended his bankruptcy schedules to
2
3 make clear that Defendant has no interest in the MJ Ray Ingels Irrevocable Trust available
4
5 for the bankruptcy estate.
6

7
8 **III. DEFENDANT'S AFFIRMATIVE DEFENSES**
9

10 Defendant will pursue the following defenses against Plaintiff at trial.
11

- 12 1. Failure to state a claim upon which relief can be granted;
13
14 2. Malicious prosecution.
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16

17 **IV. DEFENDANT'S FACTUAL CONTENTIONS**
18

19 Due to the failure of the Plaintiff to file a pretrial statement, there are no factual
20
21 allegations to contend. Defendant reserves the right to incorporate additional facts.
22

23 1. Casey Ingels and his ex-wife, Gwendolyn Ingels, were divorced on June 8,
24
25 2009. They have two sons together.
26

27 2. Casey Ingels created the MJ Ray Ingels Irrevocable Trust ("Irrevocable
28
29 Trust") for the benefit of his sons, and for the purpose of estate planning. After the
30
31 Defendant's divorce, the Defendant needed to change his estate planning, as his ex-wife was
32
33 listed as the sole beneficiary in his previous estate planning. Also, the couple agreed as part
34
35 of their Decree of Dissolution to put real property into a trust for the benefit of their
36
37 children.
38
39

40 3. On November 15, 2009, the Defendant created the Irrevocable Trust. Tricia
41
42 Yue was named the Trustee of the Irrevocable Trust, and M. Ingels and J. Ingels, the
43
44 Defendant's sons, were listed as beneficiaries of the Irrevocable Trust. Ms. Yue had a
45
46 professional relationship with Mr. Ingels prior to agreeing to be Trustee of the Irrevocable
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1 Trust. Mr. Ingels decided to use Tricia Yue as Trustee of the Irrevocable Trust based upon
2
3 his experience with her in the legal field while she was working as a paralegal for Jack
4
5 Connelly at the Law Offices of Gordon, Thomas, Honeywell, Malanca, Peterson & Daheim.
6
7 Mr. Ingels met Ms. Yue while working as an attorney at the same firm. Based upon Ms.
8
9 Yue's experience in real estate transfers, Mr. Ingels trusted her to properly transfer real
10
11 property pursuant to the Divorce Decree.
12
13

14 4. As indicated in the Irrevocable Trust, the Grantor, Casey Ingels, declared
15
16 pursuant to the Irrevocable Trust language that the Irrevocable Trust cannot be revoked at
17
18 any time by the Grantor.
19
20

21 5. On December 3, 2009, by Special Warranty Deed, the Grantors of the Living
22
23 Trust of James R. Paulson and Marijane L. Paulson ("Note Holders") conveyed the
24
25 Dekoven Property to Tricia Yue, as Trustee of the Irrevocable Trust. Mr. Ingels had no
26
27 previous connection with the Note Holders.
28
29

30 6. In exchange for the Special Warranty Deed on the Dekoven Property, the
31
32 Trustee of the Irrevocable Trust, Ms. Yue, executed a Deed of Trust for the Note Holders,
33
34 securing payment of \$612,000.00 with interest due and payable in full on January 1, 2015,
35
36 and Mr. Ingels contributed a down payment in the amount of \$68,000.00. The underlying
37
38 promissory note ("Promissory Note") required interest only payments until the due date of
39
40 January 1, 2015, leaving the entire principal balance due and payable on January 1, 2015.
41
42

43 7. Mr. Ingels did not attend the closing of the Dekoven Property, nor did he
44
45 sign any of the transfer documents, as he did not have any authority to do so, as he was not
46
47 the Trustee of the Irrevocable Trust.

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1 8. The total amount of secured debt owed against the Dekoven Property at the
2
3 time of filing the underlying bankruptcy case was in excess of \$612,000.00 due to the fact
4
5 that no principal payment amount was made on the Promissory Note or required.
6
7

8 9. Addressing the other alleged property interest in the factual allegation made
9
10 by the Plaintiff in the Complaint regarding MJB Consulting, in 2011, Kathryn Hanson
11
12 created MJB Consulting, an Idaho Limited Liability Company. The Debtor has no
13
14 ownership interest in MJB Consulting, LLC, and never has. He performed consulting and
15
16 legal work for the firm as an independent contractor. Mr. Ingels received 1099 forms for all
17
18 payments to him by MJB Consulting, LLC.
19
20

21 10. On January 23, 2014, the Defendant filed a personal Chapter 7 bankruptcy
22
23 case in U.S. Bankruptcy Court, Western District of Washington. The Defendant declared
24
25 that he was not a consumer debtor under the Bankruptcy Code at the time of filing. The
26
27 Defendant did not list the Dekoven Property as an asset on Schedule A, Real Property,
28
29 because it belonged to the Irrevocable Trust, and he was not a beneficiary of the Irrevocable
30
31 Trust that was created in 2009.
32
33

34 11. The 341 Meeting was held on March 11, 2014. The Defendant answered the
35
36 Trustee's questions truthfully and to the best of his ability. The Plaintiff asked Mr. Ingels
37
38 whether any assets were transferred into the Irrevocable Trust. The Defendant said "no."
39
40 Mr. Ingels' believed that the Trustee was asking whether he had transferred property of the
41
42 bankruptcy estate to the Irrevocable Trust. Mr. Ingels answer was "no," because he never
43
44 held title to the Dekoven Property, and he never transferred any property of the bankruptcy
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46
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1 estate to the Irrevocable Trust. The Dekoven Property was conveyed by the Note Holders
2
3 to the Irrevocable Trust by Special Warranty Deed.
4

5 During the Debtor's 341 Meeting, the Trustee then stated that Mr. Ingels transferred
6
7 the Dekoven Property to the Irrevocable Trust. The Debtor then clarified that he "misspoke
8
9 then," as he had a different understanding of the term "asset" at the Meeting of Creditors.
10
11 In addition, at the time of the Meeting of Creditors, the Defendant answered the question
12
13 whether assets were transferred to the Irrevocable Trust with "no" because he did not
14
15 believe that underwater real property was an "asset" of the Irrevocable Trust because it
16
17 lacked any equity available for the Irrevocable Trust.
18
19
20

21 12. At the time of the bankruptcy filing, the Dekoven Property had a taxed
22
23 assessed value of \$505,300.00 and an amount owing of at least \$612,000.00.
24
25

26 13. At the Meeting of Creditors, the Trustee inquired about a transfer of the
27
28 Dekoven Property to MJB Consulting, LLC. Six months after the Meeting of Creditors, Mr.
29
30 Ingels learned that the Dekoven Property had been transferred via a Quitclaim Deed from
31
32 the Irrevocable Trust to MJB Consulting, LLC, owned by Kathryn Hanson, on September 4,
33
34 2013. The Dekoven Property was transferred so that Kathryn Hanson, who started living in
35
36 the Dekoven Property, could get some potential benefit from making the payments that the
37
38 Irrevocable Trust was not making. Subsequently, Ms. Hanson transferred the Dekoven
39
40 Property back to the Irrevocable Trust when she realized that she would not be able to
41
42 meet the due date for payment in full on the Promissory Note due to a lack of equity in the
43
44 Dekoven Property.
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1 14. Mr. Ingels had performed legal and consulting services for MJB Consulting,
2
3 LLC, as an independent contractor.
4

5 15. Throughout the Meeting of Creditors, the Plaintiff and Defendant found it
6
7 difficult to communicate with each other. Listening to the recording of the hearing
8
9 reinforced this impression held by the Defendant.
10

11 16. Defendant did not knowingly and/or fraudulently make a false oath or
12
13 account in connection with his bankruptcy schedules.
14

15 17. Plaintiff has failed to meet her burden of proof under 11 U.S.C. 727(a)(4)(A).
16
17 Accordingly, Plaintiff's Complaint should be dismissed with prejudice and Debtor should
18
19 expeditiously be granted a discharge.
20
21

22 23 IV. STATEMENT OF ISSUES OF LAW 24

25 Plaintiff failed to file a Pretrial Statement; therefore, Plaintiff presented no issues of
26
27 law which Defendant may object to or change. Any tardily filed Pretrial Statement submitted
28
29 by Plaintiff should be stricken.
30

31 Defendant asserts the following statement of issue of law.
32

33 1. Should Plaintiff's Complaint be dismissed for failure to comply with this
34
35 Court's Amended Scheduling Order and the Federal Rules of Bankruptcy Procedure?
36
37

38 2. Should Defendant be denied a discharge pursuant to 11 U.S.C. § 727(a)(4)
39
40 where Debtor did not knowingly and/or fraudulently make a false oath or account relating
41
42 to statements made by the Debtor at the 341 Meeting "about the funding of the MJ Ray
43
44 Ingels Family Irrevocable Trust, property at 9830 Dekoven Dr. SW, Lakewood, Washington,
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1 transfers of the property to and from the trust and to MJB Consulting, LLC, and his
2
3 knowledge of MJB Consulting, LLC?”
4

5
6 **V. DEFENDANT’S WITNESSES**
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8 Plaintiff failed to file a Pretrial Statement. Plaintiff should be barred from calling any
9
10 witnesses at trial. Plaintiff should be barred from testifying as a witness pursuant to RPC
11
12 3.7. There would be significant prejudice to the Defendant due to the fact that testimony
13
14 and advocacy will be blended together as a result of the Plaintiff providing testimony while
15
16 acting as an attorney on his own behalf.
17

18
19 Defendant will not present any expert witness testimony. The names and addresses
20
21 of Defendant’s witnesses to be used at trial are as follows:
22

- 23
24
25 1. Name: Casey R. Ingels
26 Address: c/o The Tracy Law Group PLLC, 720 Olive Way, Suite 1000, Seattle,
27 WA 98101
28 Telephone #: 206-624-9894
29 Status: Expect to present
30 Nature of Testimony: Defending against claim brought by Plaintiff
31
32
33 2. Name: Tricia Yue
34 Address: 6623 49th Court West, University Place, WA 98467
35 Status: Expect to present
36 Nature of Testimony: Formation and oversight of MJ Ray Ingels Irrevocable
37 Trust.
38
39 3. Name: Gwen Ingels
40 Address: 12020 Nyanza Road SW, Lakewood, WA 98499
41 Status: Will call if need arises
42 Nature of Testimony: Formation of MJ Ray Ingels Irrevocable Trust and related
43 matters
44
45 4. Name: Kathryn Hanson
46 Address: c/o Mark Ellingsen, 608 Northwest Blvd. #300, CDA, Idaho, 83814.
47 Telephone #: 208-667-4000

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Status: Will call if need arises

Nature of Testimony: Information about business relationship with Debtor

VI. EXHIBITS

Plaintiff failed to file a Pretrial Statement and did not identify any Exhibits to be proffered. Plaintiff should be barred from seeking the admission of any exhibits at trial, as Defendant has had no chance to review the exhibits for objection to in his pretrial statement.

Defendant intends to seek the admission of the following Exhibits and reserves the right to admit additional exhibits if Plaintiff is allowed to offer any evidence:

Exhibit	Description	Source	Status
P-1	Copies of Debtor's bankruptcy petition and related documents and amendments to the same	Casey R. Ingels	Expect to offer
P-2	Copies of MJ Ray Ingels Irrevocable Trust	Casey R. Ingels and/or Tricia Yue	Expect to offer
P-3	Copy of Deed of Trust related to Dekoven Property signed by Tricia Yue, trustee of MJ Ray Ingels Irrevocable Trust	Casey R. Ingels and/or Tricia Yue	Expect to offer
P-4	Copy of Decree of Dissolution – Lincoln County Superior Court – Case #09-3-00283-0	Casey R. Ingels and/or Gwen Ingels	Expect to offer
P-5	Copy of Special Warranty Deed conveying Dekoven Property to Tricia Yue,	Tricia Yue	Expect to offer

DEFENDANT'S PRETRIAL STATEMENT- 9

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	as Trustee of MJ Ray Ingels Irrevocable Trust		
P-6	Copy of Quitclaim Deed signed by Tricia Yue, as Trustee of Irrevocable Trust, Transferring Dekoven Property to Living Trust of J. Paulson and M. Paulson on December 18, 2014	Tricia Yue	Expect to offer
P-7	Copy of Deed in Lieu of Foreclosure for Dekoven Property	Tricia Yue	Expect to offer
P-8	Plaintiff's Answers to Defendant's First Interrogatories and Requests for Production	John Peterson	Offer if need arises
P-9	Plaintiff's Response to Defendant's Motion for Summary Judgment	John Peterson	Will offer if need arises
P-10	Plaintiff's Initial Disclosures	John Peterson	Will offer if need arises
P-11	Plaintiff's Declaration in Support of Plaintiff's Response to Motion for Summary Judgment	John Peterson	Will offer if need arises

DEFENDANT'S PRETRIAL STATEMENT- 10

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1 DATED this 18th day of May 2015.
2
3

4 THE TRACY LAW GROUP PLLC
5

6 By /s/ Jamie J. McFarlane
7 J. Todd Tracy, WSBA #17342
8 Jamie J. McFarlane, WSBA #41320
9 Attorneys for Defendant Casey R. Ingels
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DEFENDANT'S PRETRIAL STATEMENT- 11

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